Office of the Auditor General of Canada
Quarterly Financial Report
For the quarter ended 30 June 2014

Office of the Auditor General of Canada

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ISSN 1927-1972

Statement outlining results, risks, and significant changes in operations, personnel, and programs

Introduction

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board, and it should be read in conjunction with the Main Estimates and Supplementary Estimates. This quarterly report has not been subject to an external audit or review.

The Office of the Auditor General has one program activity: legislative auditing. The Office conducts independent audits and studies that provide objective information, advice, and assurance to Parliament, government, and Canadians.

Mandate

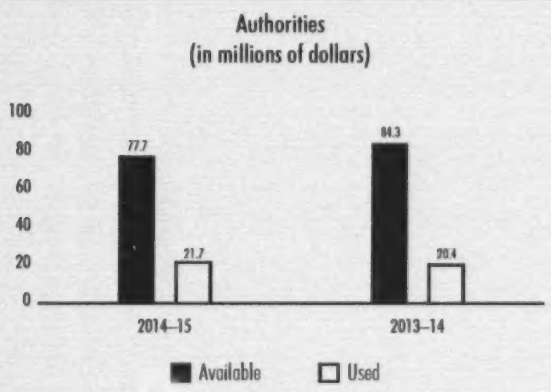
The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. The duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing and, in certain cases, to monitoring of federal departments and agencies, Crown corporations, territorial governments, and other entities.

Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Office's spending authorities granted by Parliament and those used by the Office consistent with the Main Estimates and Supplementary Estimates for the 2014–15 fiscal year. This quarterly report provides financial information on the use of spending authorities. The Office uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

Highlights of quarterly and year-to-date results

The authorities available decreased as a result of the implementation of the Office's Strategic Operating Review Proposal. The authorities used increased primarily due to the one-time transition payment of $2.1 million made as a result of a change from pay in advance of work performed to pay in arrears.



Risks and uncertainties

There are no significant risks and uncertainties to report.

Budget 2012 implementation

The Office achieved its planned savings in fiscal year 2014–15 through efficiency measures and reductions that aligned resources to its core mandate and streamlined how the Office works.

Significant changes in operations, personnel, and programs

- A new Commissioner of the Environment and Sustainable Development was appointed on 5 February and assumed the position on 24 March 2014.
- A new Chief Financial Officer (CFO) was appointed and assumed the position on 1 April 2014.

Approved by:

Michael Ferguson, CPA, CA
FCA (New Brunswick)
Auditor General of Canada

Sylvain Ricard, CPA, CA
Assistant Auditor General and
Chief Financial Officer

Ottawa, Canada
22 August 2014

Statement of authorities (unaudited)

	Fiscal year 2014–15			Fiscal year 2013–14		
	Total available for use for the year ended 31 March 2015*	Used during the quarter ended 30 June 2014	Year to date used at quarter-end	Total available for use for the year ended 31 March 2014*	Used during the quarter ended 30 June 2013	Year to date used at quarter-end
			(in thousands of dollars)			
Vote 20—Program expenditures	70,458	19,614	19,614	76,611	17,907	17,907
Less revenues netted against program expenditures	(2,510)	(411)	(411)	(2,510)	(66)	(66)
Net Vote 20—Net program expenditures	67,948	19,203	19,203	74,101	17,841	17,841
Budgetary statutory authorities	9,794	2,449	2,449	10,233	2,558	2,558
Total budgetary authorities	**77,742**	**21,652**	**21,652**	**84,334**	**20,399**	**20,399**
Non-budgetary authorities	-	-	-	-	-	-
Total authorities	**77,742**	**21,652**	**21,652**	**84,334**	**20,399**	**20,399**

*Includes only authorities available for use and granted by Parliament at quarter-end

Departmental budgetary expenditures by standard object (unaudited)

	Fiscal year 2014–15			Fiscal year 2013–14		
	Planned expenditures for the year ending 31 March 2015	*Expended during the quarter ended 30 June 2014*	Year to date expended at quarter-end	*Planned expenditures for the year ending 31 March 2014*	*Expended during the quarter ended 30 June 2013*	Year to date expended at quarter-end
			(in thousands of dollars)			
Expenditures:						
Personnel	69,151	16,739	16,739	69,043	17,430	17,430
Transportation and communications	3,444	980	980	5,662	864	864
Information	498	79	79	770	94	94
Professional and special services	4,802	1,330	1,330	7,853	1,109	1,109
Rentals	1,092	740	740	1,671	772	772
Repair and maintenance	211	19	19	415	28	28
Utilities, materials and supplies	354	42	42	617	53	53
Acquisition of machinery and equipment	700	29	29	812	112	112
Other subsidies and payments*	-	2,105	2,105	1	3	3
Total gross budgetary expenditures	**80,252**	**22,063**	**22,063**	**86,844**	**20,465**	**20,465**
Less revenues netted against expenditures:						
Costs recovered						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(93)	(93)	(660)	(66)	(66)
International Labour Organization	(1,850)	(318)	(318)	(1,850)	-	-
Total net budgetary expenditures	**77,742**	**21,652**	**21,652**	**84,334**	**20,399**	**20,399**

* Includes the one-time transition payment of $2.1 million made as a result of a change from pay in advance of work performed to pay in arrears